

EARNINGS PRESENTATION Q1 FY25

Rated #1 in India for *“Most Consistent Profitable Growth across the last 10 years”*

*Second Largest wealth creator for the decade ending 2020**

August 2024

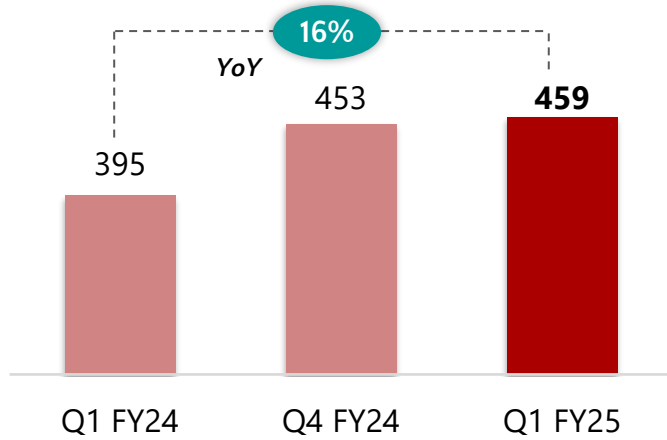
www.caplinpoint.net

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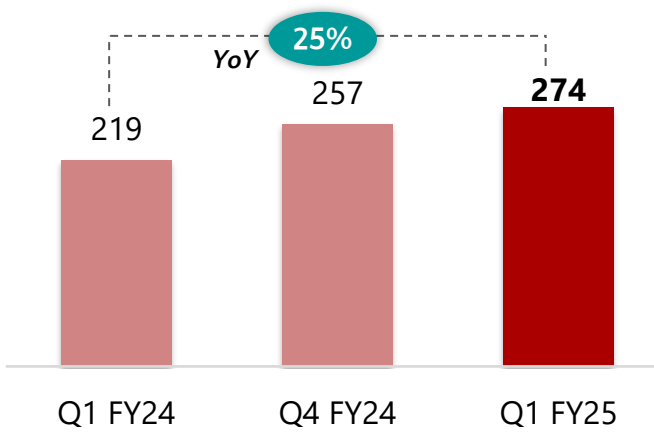
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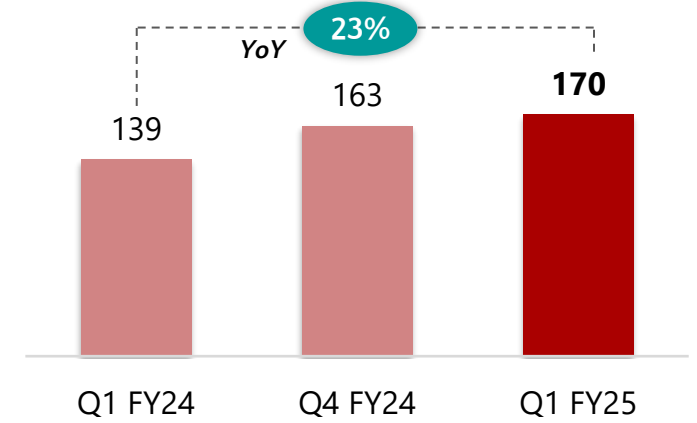
Revenue from Operations



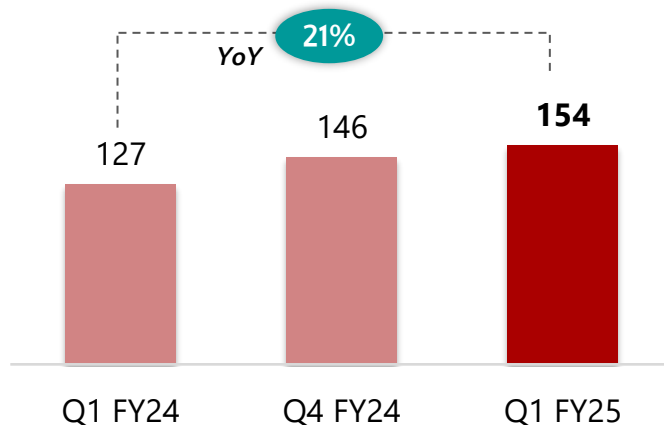
Gross Profit



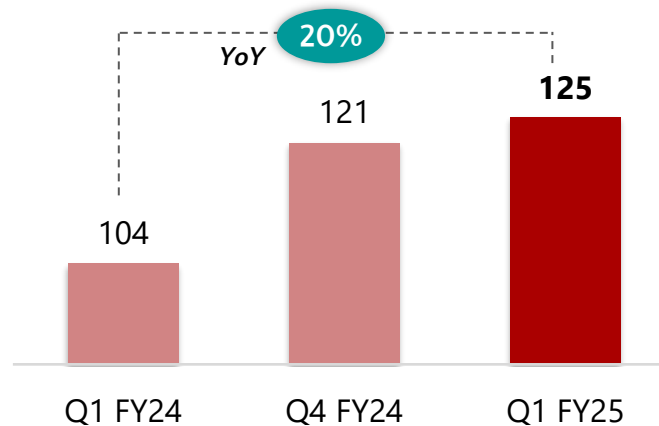
EBITDA



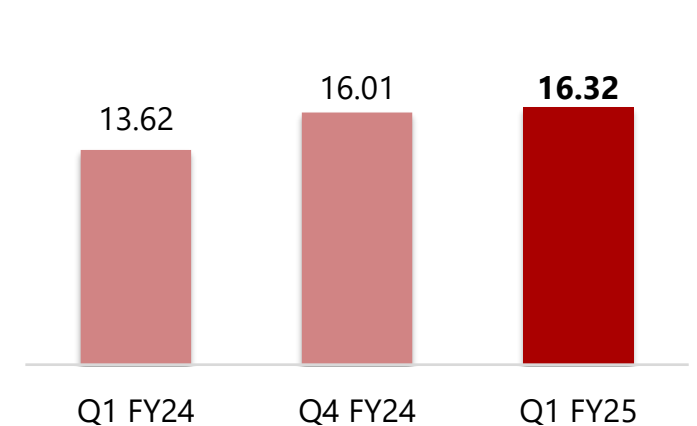
EBIT



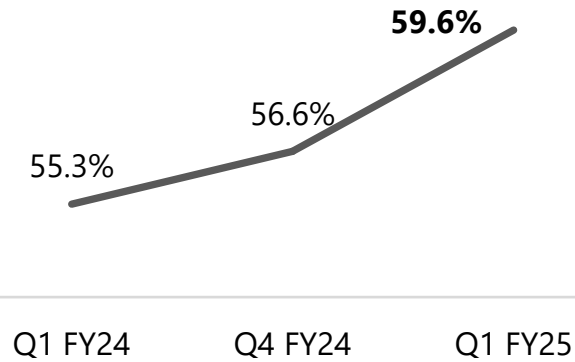
PAT



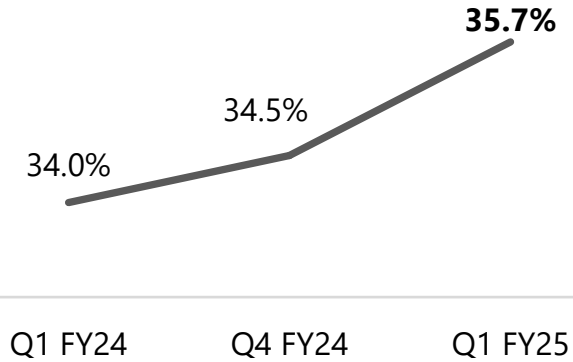
Earnings Per Share



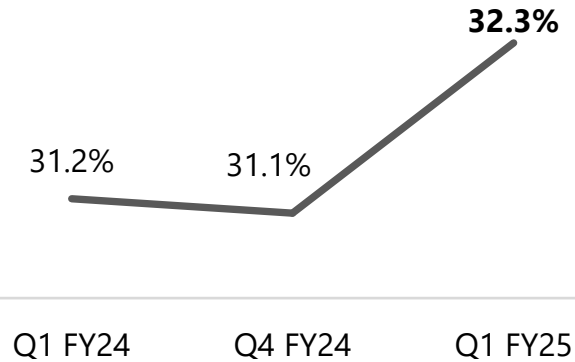
Gross Profit Margins (%)



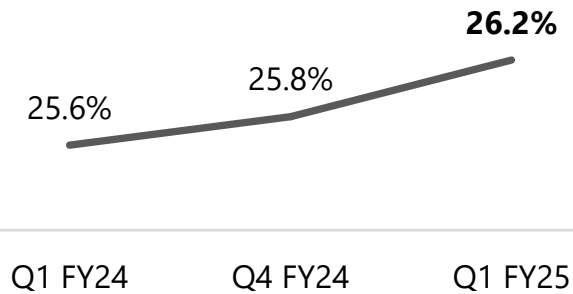
EBITDA Margins (%)



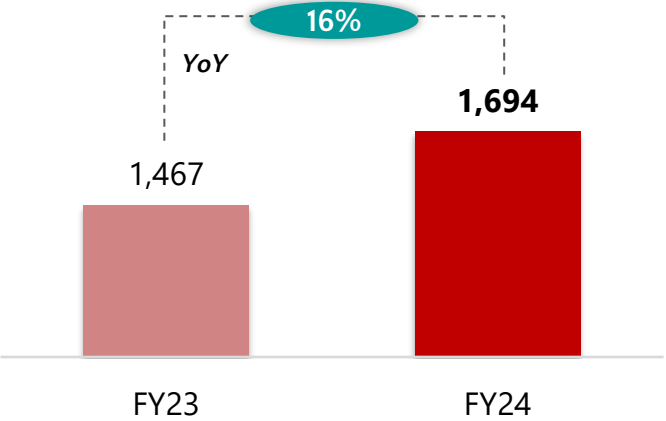
EBIT Margins (%)



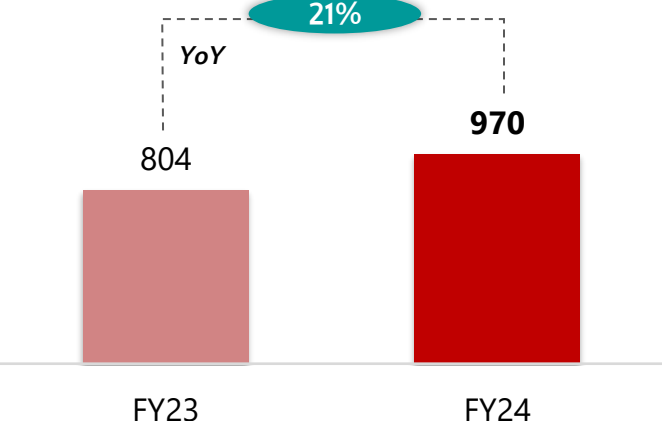
PAT Margins (%)



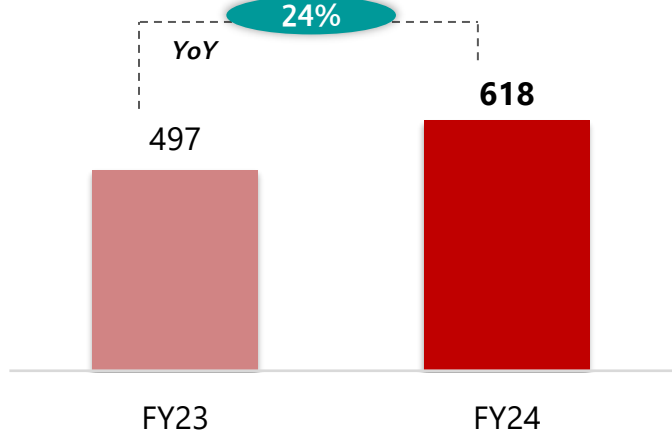
Revenue from Operations



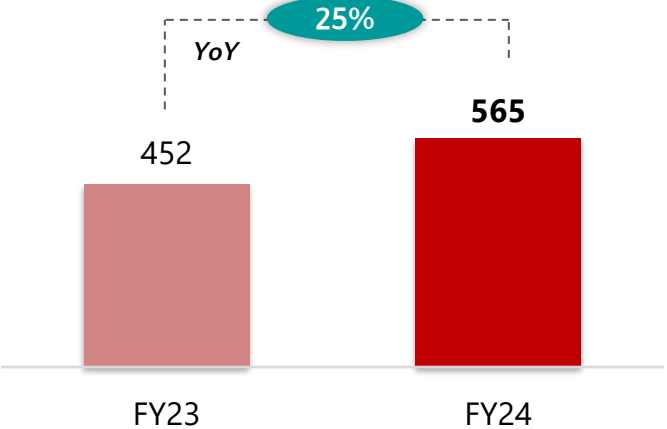
Gross Profit



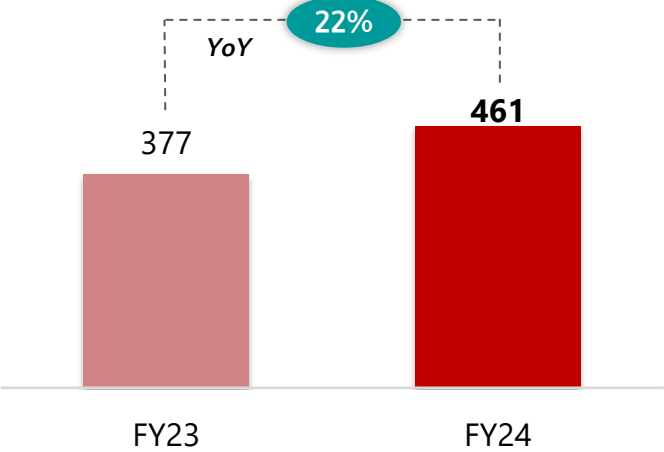
EBITDA



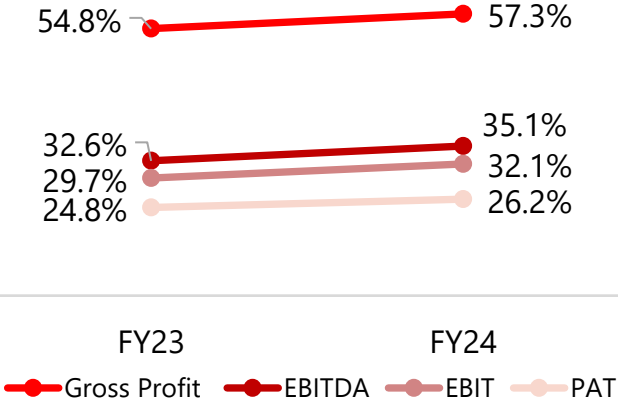
EBIT



PAT



Profit Margins



(All figures in Rs. Crores)

Chairman Perspectives



Commenting on the recent performance, Mr. C.C. Paarthipan, Chairman of Caplin Point Laboratories said:

Our company continues to be an outlier, whether its taking the road less travelled in Latin America, or focusing on our Cashflow and Bottom line rather than unsustainable or inconsistent top line growth. We're pleased to report yet another strong set of numbers for this quarter. LatAm is a key driver of growth but we're now also supported by strong performance from the US. As we embark on launching our own front-end in the US, we remain confident that our pattern of success through taking the road less travelled would repeat itself in the biggest markets in the world as well.

Management Team

Dr. Sridhar Ganesan

- Managing Director



Mr. Vivek Partheeban

- Chief Operating Officer



Mr. D Muralidharan

- Chief Financial Officer



Mr. Ashok Partheeban

- Business Head, LATAM



01

Company's LatAm business shows strong revenue and bottom-line growth with robust cashflows

02

Branded generic segment drives growth in profitability with specialty products including Softgels and Pre-Filled Syringes. Segment breakup currently:

- Generics - 70%
- Branded Generics - 30%

03

Caplin One Labs Oncology site commences exports to LatAm, Company targets breakeven revenue within next 12 months. Product registration work ongoing in 7 countries in LatAm including Mexico

04

Amaris Clinical, CRO wing of Caplin Point, completes BE studies for 12 products, with a further 5 products planned for the coming Quarters

Emerging Markets Business Highlights

Company has filed 22 products in Mexico, a key part of expansion into larger LatAm markets. Dossier compilation ongoing for 35 products, to be filed in the next 12-18 months, including products from Outsourcing partners

05

Expansion work ongoing at CP-1 (Puducherry site) for higher Lyophilized Injection capacity due to enhanced demand from markets. Part of the expansion includes installing unique Dual Chamber Pre-Filled Syringe line, a segment with limited competition at LatAm

06

Company's API R&D division completes development of 80+ molecules, to be scaled up once GMP facilities in Vizag (General API) and Thervoykandigai (Oncology API) go onstream

07

01

Caplin Steriles records impressive revenue growth through enhanced automation and improved productivity

02

Update on Caplin Steriles USA Inc, company's own label in the US - 45 out of 50 state licenses received. On target to launch first products by Oct 2024. Plans to launch 35 products in 12 months

03

In-licensing of ANDAs and CMO for higher output targeted, in line with company's DNA of being pro-outsourcing and front-end distribution-focused, similar to LatAm

04

Company has received approvals for 4 Ophthalmic products so far, all have been launched till date. Approvals for 3 more to be received within this year

US & Regulated Markets Business Highlights

Newly Installed Line 5 output surpasses Line 1 and 2, within first 9 months of operation and slated to improve further with better scheduling and product mix

05

Company has 24 ANDA approvals, with 10 more under review. Plans to file another 8 products in the next 12 months. Pending approvals are a mix of Injectable Suspension, Injectable Emulsions, Injectable Bags (Ready-To-Use) and Ophthalmic Emulsion

06

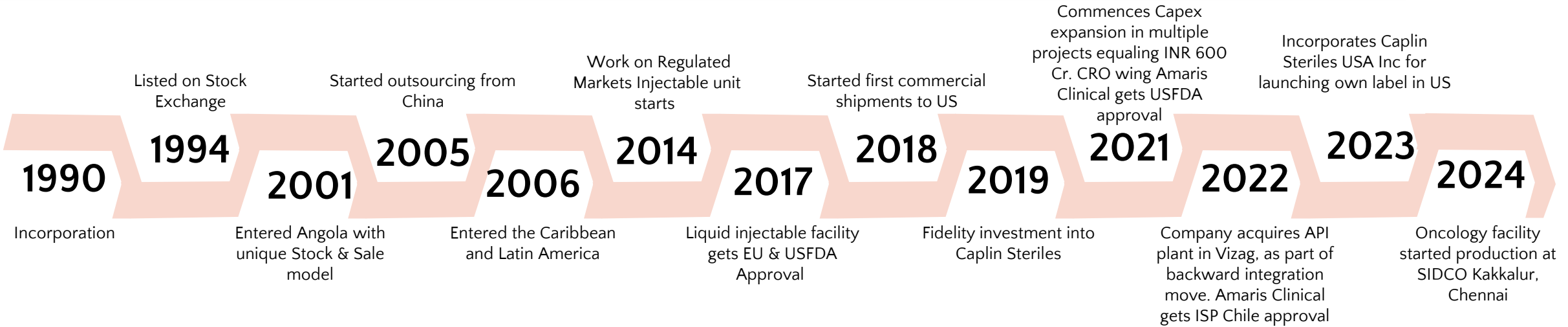
Line 6 - Pre Filled Syringe products line will be qualified for first submission batches by Q2, plans to file 7 products in the first 12 months of operations

07

Automation & Digitalization Update: Quality Control and Microbiology are 80% paperless. All logbooks will be electronic by year-end. Next, we will digitize Batch Manufacturing and Packing Records (BMR & BPR) to achieve complete paperless operations by next year

08






Evolution Over the Decades








Contract manufacturer

-  Market-led Company
-  Plain vanilla generic products
-  Introducing products that plugged marketplace gaps
-  Negative-working capital business
-  2 main geographies 10 countries (Latin America & Francophone Africa)

Becoming a responsible pharma company

-  Technology and research-led marketing Company
-  Mix of generics, branded generics and specialty molecules and Injectables
-  Launch specialty niche products that Create new markets in varied therapy segments
-  Selective use of Credit strategy to increase market share and remain cash surplus
-  Extended to Regulated markets like USA with recent entry into Canada, Australia, Mexico and Brazil shortly

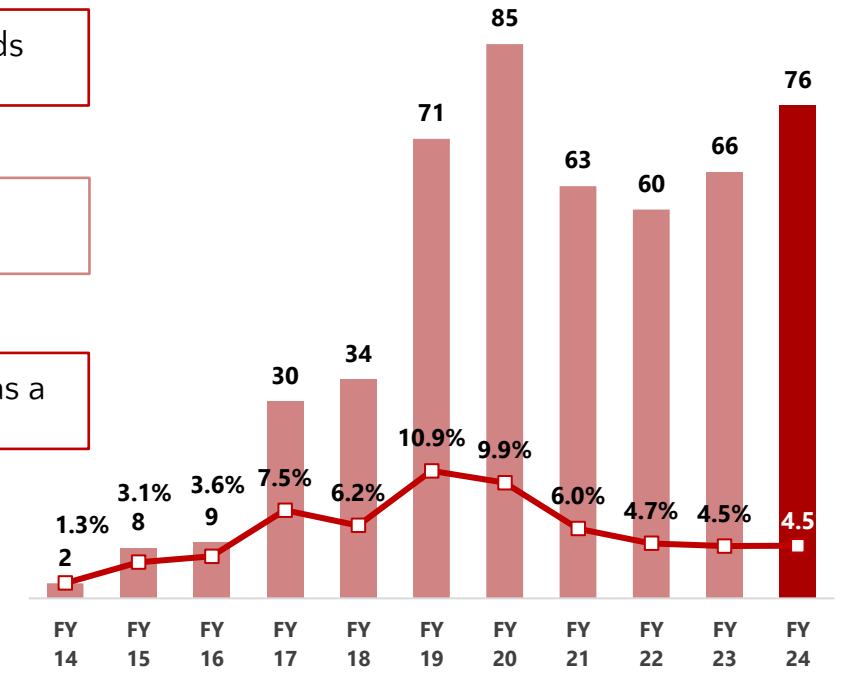
Diversified Product Portfolio

-  4000+ Products registered and 650+ Pharmaceutical formulations
-  36 Therapeutic Segments
-  Product mix covers over 65% of WHO essential drug list
-  Latest focus towards complex spaces
-  Accounts for larger shelf share across pharmacies on account of a widening product basket

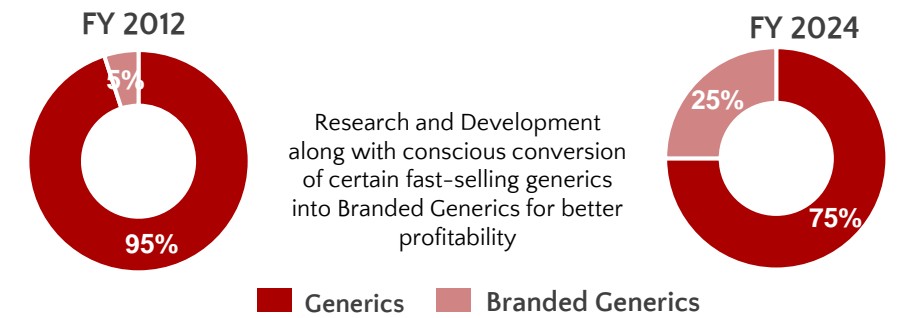
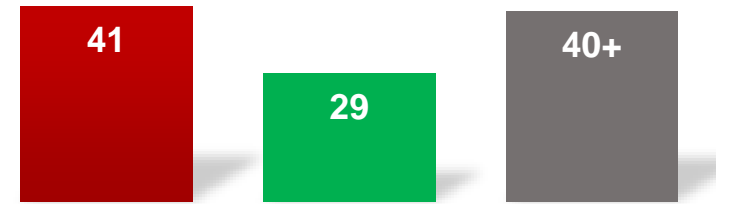
Research & Development Capabilities

- 1 Caplin has 5 dedicated R&D setups (3 – DSIR approved and 2 under approval)
- 2 Continuous capex investment of over INR 721 Cr over last 8 years towards enhanced manufacturing and R&D capabilities, from internal accruals.
- 3 Total R&D Spends (Capex + Opex) is 16.4% of FY24 PAT
- 4 Caplin ranks amongst the top companies in India, for R&D spend as a percentage of Revenue on average in the past 5 years.*
- 5 Completed R&D for 80+ APIs to be used for backward integration in US and Emerging markets. On track for first DMF filing by FY25

■ R&D Expense (Rs. Crore)
 — R&D Expense as a % of Operating Revenue



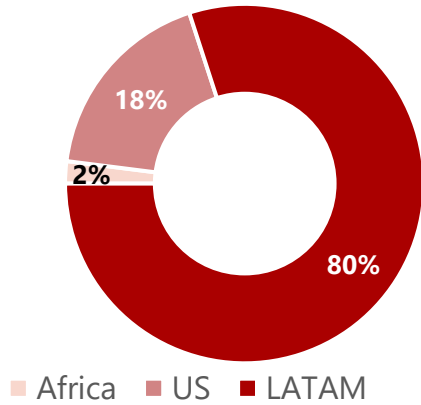
385
Strength of R&D Team



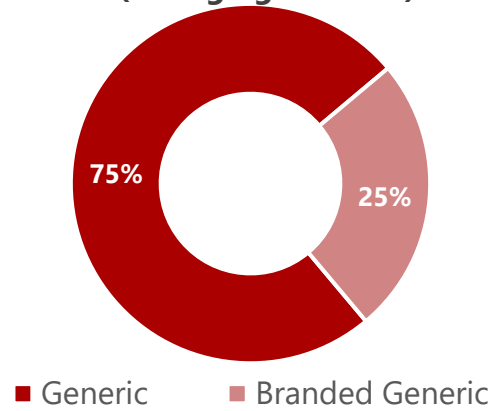
*Source – CNBC-TV18, Dec 31st 2020

*Including Partners

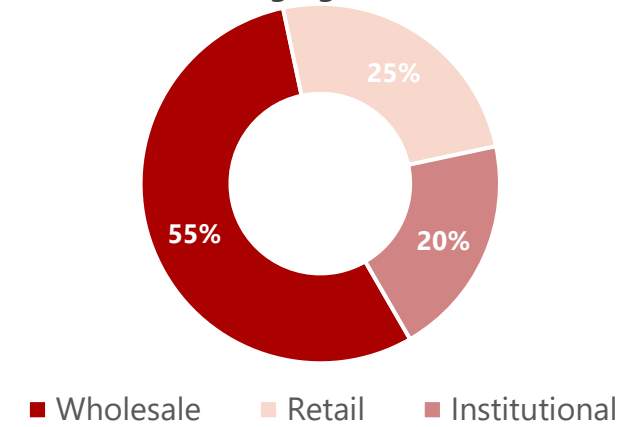
FY24 Operating Revenue



Revenue by Business Segment (Emerging Markets)

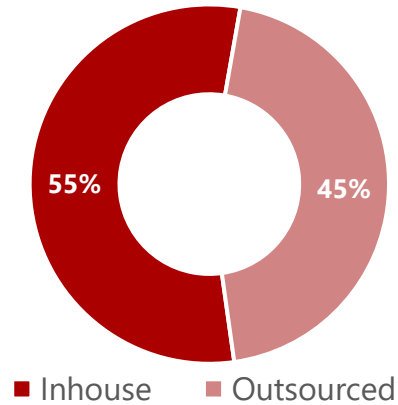


Revenue by Channel (Emerging Markets)

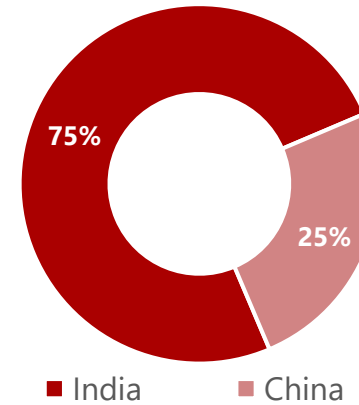


Caplin covers a wide spectrum of pharmaceutical formulations and therapeutic segments across 23 countries with total revenue of Rs. 1,761 Cr in FY24

Manufacturing & Outsourcing



Exports



- The products produced **inhouse**
- The products are **outsourced** from quality-conscious partners in India and China

Caplin's smart strategy of balanced manufacturing and outsourcing makes it possible to be a lean organisation as well as de-risk against cost escalations, currency fluctuations and other headwinds

Generics and Branded Generics Product Mix



Non-Steroidal Antiinflammatory Drugs-NSAIDS



Anthelmintics/ Dewormer



Analgesic



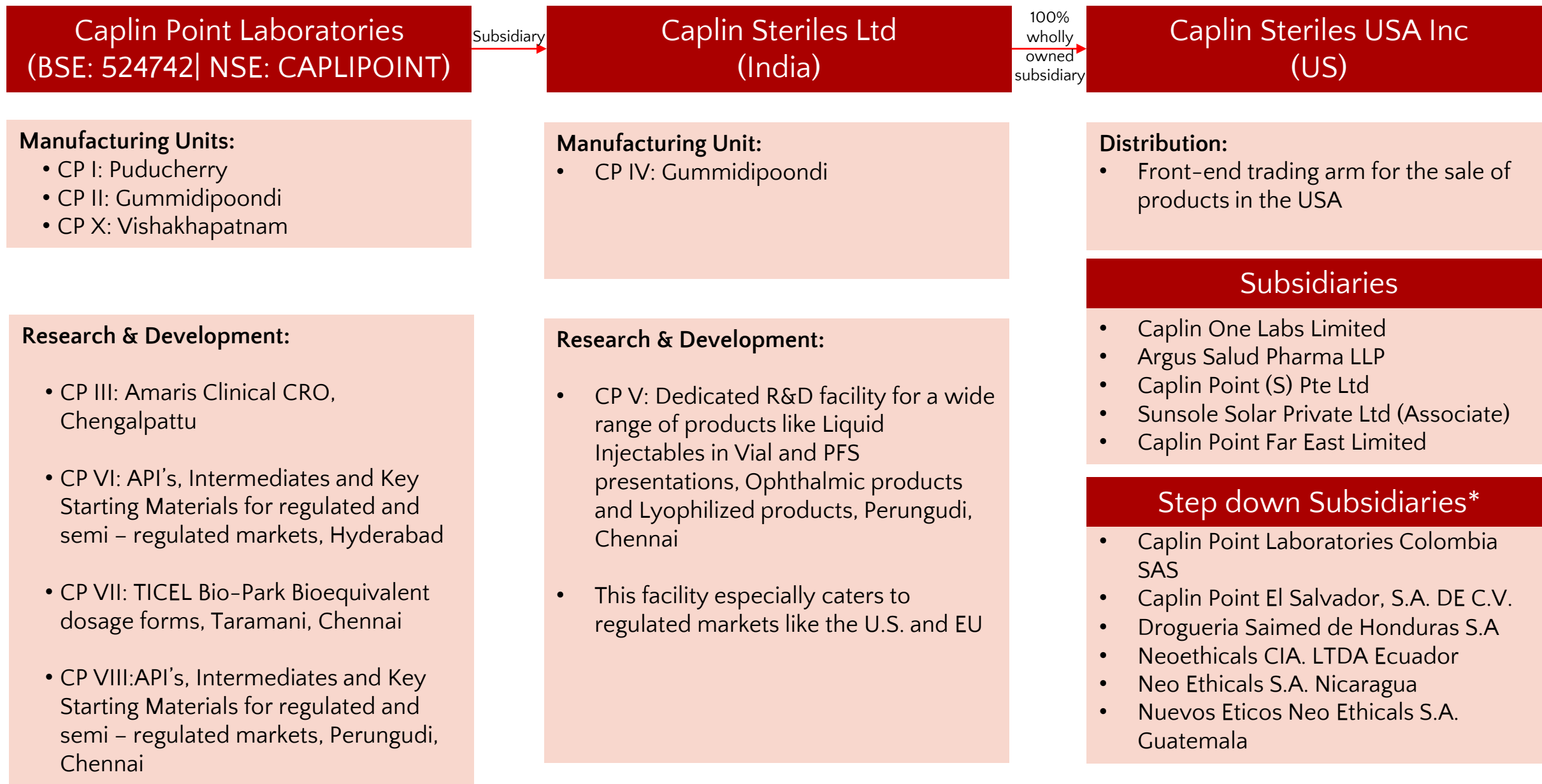
Antibiotic and Antifungal



Antihypertensive drug

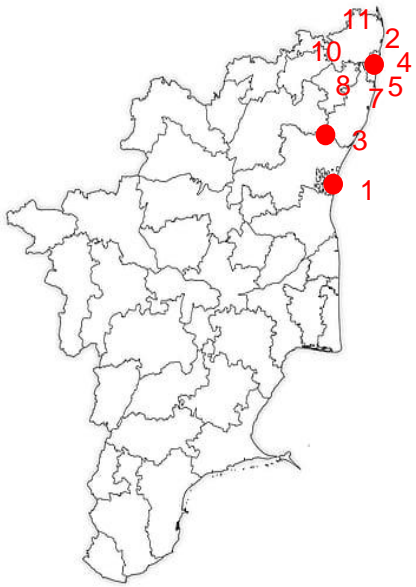


Electrolytes



*All the step down subsidiaries are the subsidiaries of Caplin Point Far East Limited – Hong Kong

Tamil Nadu, India



Location of Plants and Facilities

1. Puducherry (CP I)
2. Gummidipoondi (CP II)
3. Chengalpattu (CP III)
4. Gummidipoondi (CP IV)
5. Chennai (CP V)
6. Hyderabad (CP VI)
7. Chennai (CP VII)
8. Chennai (CP VIII)
9. Thiruvallur (CP IX)
10. Visakhapatnam (CP X)
11. Corporate Office and other R&D Units, Chennai

Andhra Pradesh, India



Note. CP III and CP VII are for Research and Development



| Project Summary | | | | | |
|-----------------------------|-----------------------------------|--|--|---|-------------------------|
| Facility | Location | Product | Target Market | Status | Timeline |
| Caplin Plant I | CP1, Suthukeny, Puducherry | Softgel | Existing Markets | Completed | Q4 FY23 |
| Caplin Steriles Phase II | CP4, Gummidipoondi, Chennai | Injectable Vials and Pre-Filled Syringes | Regulated Markets | Line 5-Completed Line 6-Qualification Ongoing | Q2 FY25 |
| API Facility | Visakhapatnam, Andhra Pradesh | General API | Existing and Regulated Markets | Ongoing | Q2 FY25 |
| Oncology Facility | SIDCO, Kakkalur (Near Chennai) | OSD & Injectable phase | Existing and Regulated Markets | OSD – completed. Injectable – Ongoing. | Injectable – Q4 FY25 |
| Oncology API Facility | Thervoy SIPCOT, Chennai | Oncology API | Existing and Regulated Markets | Design drawing process ongoing | Q1 FY26 |
| OSD Facility | Thervoy SIPCOT, Chennai | Oral Solid Dosages | Existing Market along with Mexico, Brazil, US and EU | Design drawing process ongoing | Q2 FY26 |

Caplin Point has allocated an overall Capex budget of approximately ₹600-650 Crores for the investment projects (most of which are nearing completion) to expand existing capacities, widen its product portfolio and backward integrate the majority of the products. All of the planned Capex is funded through internal accruals only.

Core Business to show consistent growth

Caplin's core business which is focused on Latin America and Francophone Africa is expected to grow at a steady pace with industry-average margins and benchmark cashflows

US Business to Boost the Growth

Aspiration is to have exceptional compliance record and focus on niche products which continues to be in shortage in US market. Caplin believes US business to be one of its primary engines that will drive growth

Backed by Enhanced Value Chain

Backward and forward integration to help save cost, capture more market and control supply chain which is expected to boost earnings

Strong Balance Sheet

Caplin's DNA of remaining debt-free and self-sustenance is highlighted by increasing cash surplus over the years. Strong Balance sheet of Caplin acts as an anchor for our long-term vision

Expansion into Other Geographies and Widening of the Portfolio

Caplin plans to enter more regulated markets such as Canada, Australia, MENA, Russia/CIS as well as enter the bigger LATAM markets of Mexico and Brazil in the near to medium term horizon

Strong operational performance driven by key pillars of Caplin's Engines

Experienced and Visionary Board of Directors



Mr. C.C. Paarthipan
Chairman

30+ Years of experience in the pharmaceutical industry

Spearheading the group in its multi-pronged growth approach

First Gen Entrepreneur with a focus towards bottom of the pyramid



Dr. Sridhar Ganesan
Managing Director

35+ Years experience in Pharmaceutical Industry

Previously, held leadership positions in several international assignments

The Government of India's Pharmaceutical Export Promotion Council of India has designated him as an "Honorary Expert"

Has been a Faculty in BITS



D Sathya Narayanan
Independent Director

30+ years experience in application dev. & implementation

MS from Stanford University and bachelor from IIT-Madras

Brother of Global Valuations Icon Aswath Damodaran.



Dr. C K Gariyali, IAS
Independent Director

Retired IAS Officer and holds a Doctorate in Women Studies

Was Principal Secretary to the Governor of Tamil Nadu from 2005-08

Was Secretary to Hon'ble CM of Tamil Nadu

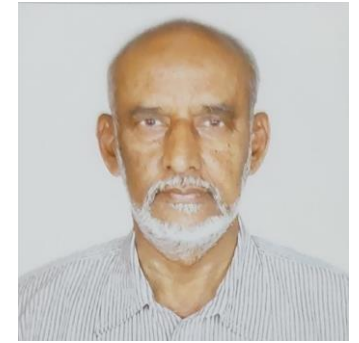
Worked with various International Agencies like World Bank etc.



Dr. R Nagendran
Independent Director

Ph.D in Ecology and Ethology and M.SC in Zoology

Former Expert Member of the National Green Tribunal and former Head of Department of Environmental Science in St. Joseph's College, Bangalore.



Mr S Deenadayalan
Independent Director

Post Graduate degree in Social Work from Madras School of Social Work and Under Graduate degree in Sociology from Annamalai University

Has extensively worked and mentors individuals enabling them to become successful professionals and more than 30,000 municipal school students have been benefitted by his idealistic model.

P&L for the Q1 FY25 – Consolidated

| Value (INR Cr) | Q1 FY25 | Q1 FY24 | YoY (%) | Q4 FY24 | QoQ (%) | FY24 | FY23 | YoY (%) |
|---|---------------|---------------|--------------|---------------|-------------|-----------------|-----------------|--------------|
| Revenue from Operation | 458.96 | 395.32 | 16.1% | 453.22 | 1.3% | 1,694.10 | 1,466.73 | 15.5% |
| Other Income | 18.56 | 12.04 | | 17.29 | | 66.94 | 55.98 | |
| Total Revenue | 477.52 | 407.36 | 17.2% | 470.51 | 1.5% | 1,761.04 | 1,522.72 | 15.7% |
| Cost of Goods sold | 185.48 | 176.65 | 5.0% | 196.68 | (5.7)% | 724.18 | 663.20 | 9.2% |
| Gross Profit (Excluding Other Income) | 273.48 | 218.67 | 25.1% | 256.54 | 6.6% | 969.92 | 803.53 | 20.7% |
| <i>Gross Profit Margin (on Rev from Operations)</i> | 59.6% | 55.3% | | 56.6% | | 57.3% | 54.8% | |
| Employee Benefit Expenses | 40.15 | 35.07 | 14.5% | 36.77 | 9.2% | 143.59 | 136.99 | 4.8% |
| Research and Development expenses | 19.20 | 15.76 | 21.8% | 19.16 | 0.2% | 73.72 | 63.19 | 16.7% |
| Other operating expenses | 62.32 | 41.31 | 50.9% | 55.38 | 12.5% | 201.17 | 162.29 | 24.0% |
| Total expenditure | 121.67 | 92.14 | 32.0% | 111.31 | 9.3% | 418.48 | 362.47 | 15.5% |
| EBITDA | 170.37 | 138.57 | 23.0% | 162.52 | 4.8% | 618.38 | 497.04 | 24.4% |
| <i>EBITDA Margin</i> | 35.7% | 34.0% | | 34.5% | | 35.1% | 32.6% | |
| Depreciation and Amortisation | 15.96 | 11.38 | 40.3% | 16.40 | (2.7)% | 53.44 | 44.99 | 18.8% |
| EBIT | 154.41 | 127.19 | 21.4% | 146.12 | 5.7% | 564.94 | 452.05 | 25.0% |
| <i>EBIT Margin</i> | 32.3% | 31.2% | | 31.1% | | 32.1% | 29.7% | |
| Finance Cost | 0.05 | 0.28 | | 0.15 | | 0.78 | 0.78 | |
| Share of Profit in associates | 0.02 | 0.08 | | 0.06 | | 0.27 | 0.08 | |
| Profit Before Tax | 154.38 | 126.99 | 21.6% | 146.03 | 5.7% | 564.43 | 451.35 | 25.1% |
| <i>PBT Margin</i> | 32.3% | 31.2% | | 31.0% | | 32.1% | 29.6% | |
| Tax | 29.46 | 22.76 | | 24.80 | 18.8% | 103.01 | 74.36 | 38.5% |
| Profit after Tax | 124.92 | 104.23 | 19.8% | 121.23 | 3.0% | 461.42 | 376.99 | 22.4% |
| <i>PAT Margin</i> | 26.2% | 25.6% | | 25.8% | | 26.2% | 24.8% | |

INVESTOR RELATIONS AT CAPLIN

Mr G Venkatram

investors@caplinpoint.net

CHURCHGATE PARTNERS

Rajiv Pandya / Paresh Rohra

caplinpoint@churchgatepartners.com

BSE 524742

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CIN: L24231TN1990PLC019053

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